User Behavior Insights & Growth Opportunities

for Food Delivery Business

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# Problem Statement — What Are We Solving?

Goal:

Understand user behavior to improve retention and increase order frequency.

Business Context:

A food delivery platform, thrives on repeat users and high user engagement. The challenge is to identify:
1. Where do users drop off?
2. What features drive repeated purchases?
3. Which user cohorts offer the best growth opportunities?
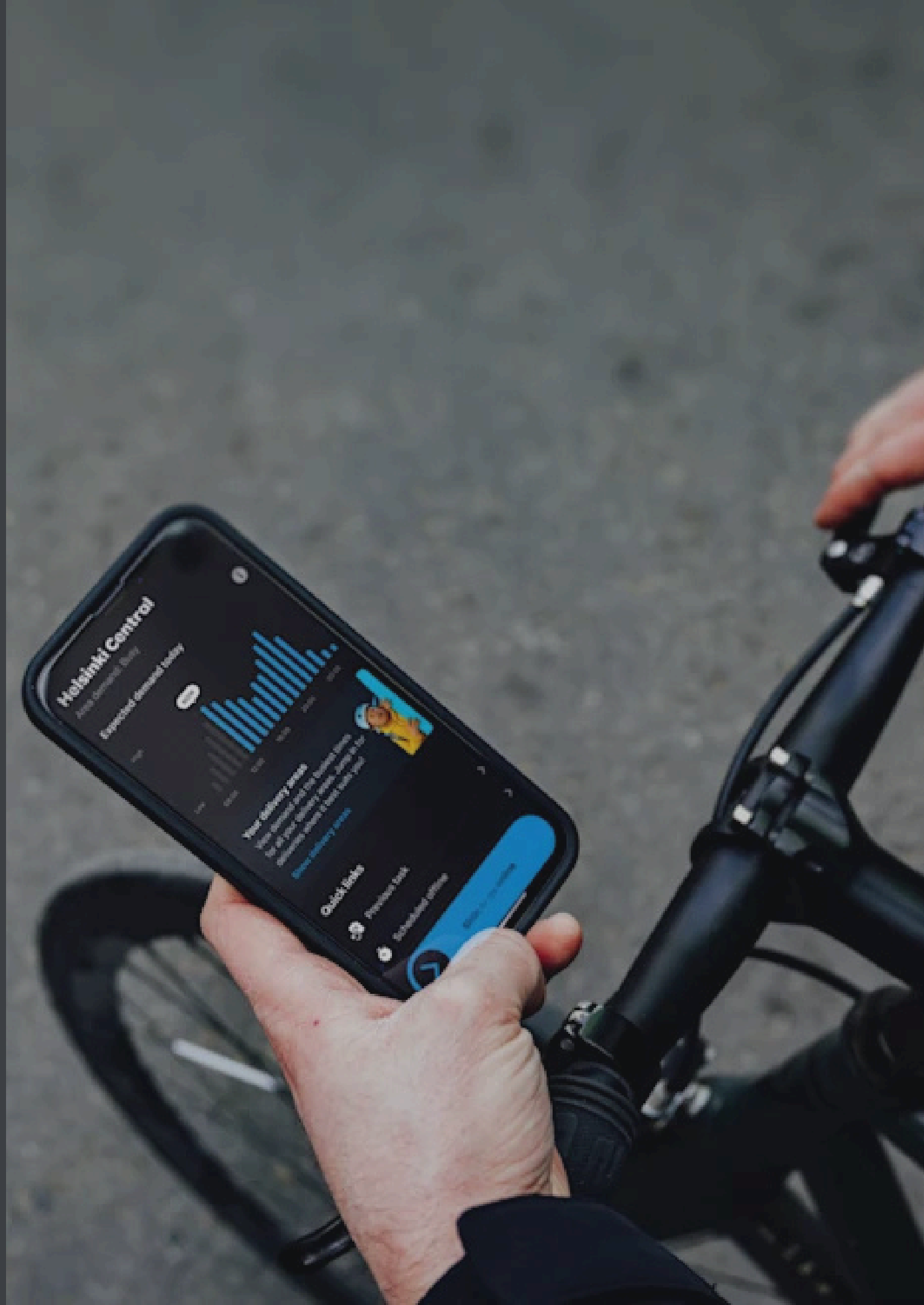
Executive Summary

Main Finding:

Most users drop off after their first order. Fast early engagement strongly predicts user retention and long-term value.

Key Recommendations:

1. Incentivize orders within 3 days of registration.
2. Send repeat-order nudges at 5–7 days.
3. Target high-value segments by device (iOS and Web) and geography (Finland).

Key Metrics to Track

- **Activation Rate:**

   For Onboarding success and early engagement.

- **Repeat Purchase Rate:**

   Crucial as it is a indicator of customer LTV.
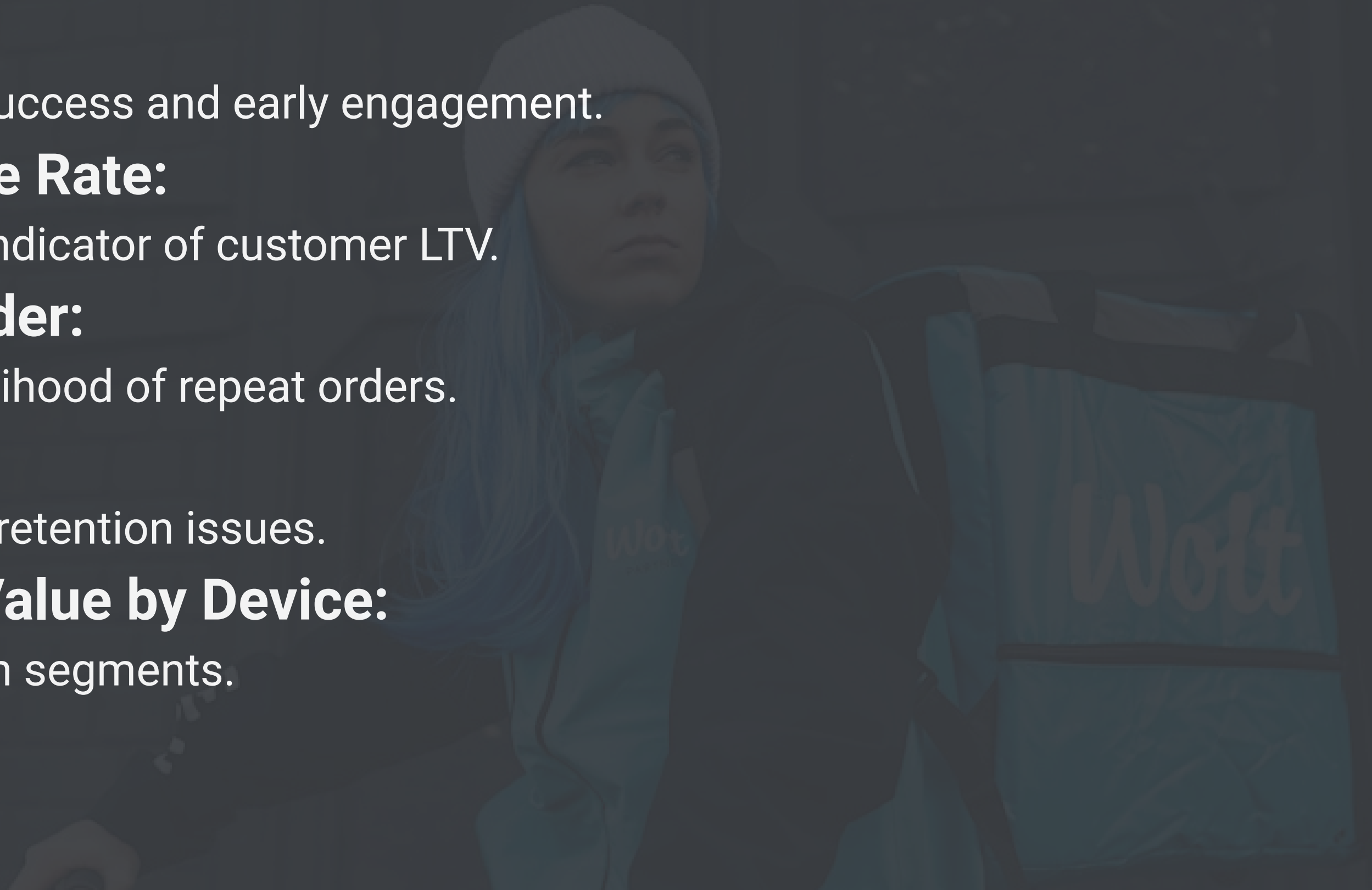
- **Time to First Order:**

   As it predicts likelihood of repeat orders.

- **Churn Rate:**

   It signals product retention issues.

- **Average Order Value by Device:**

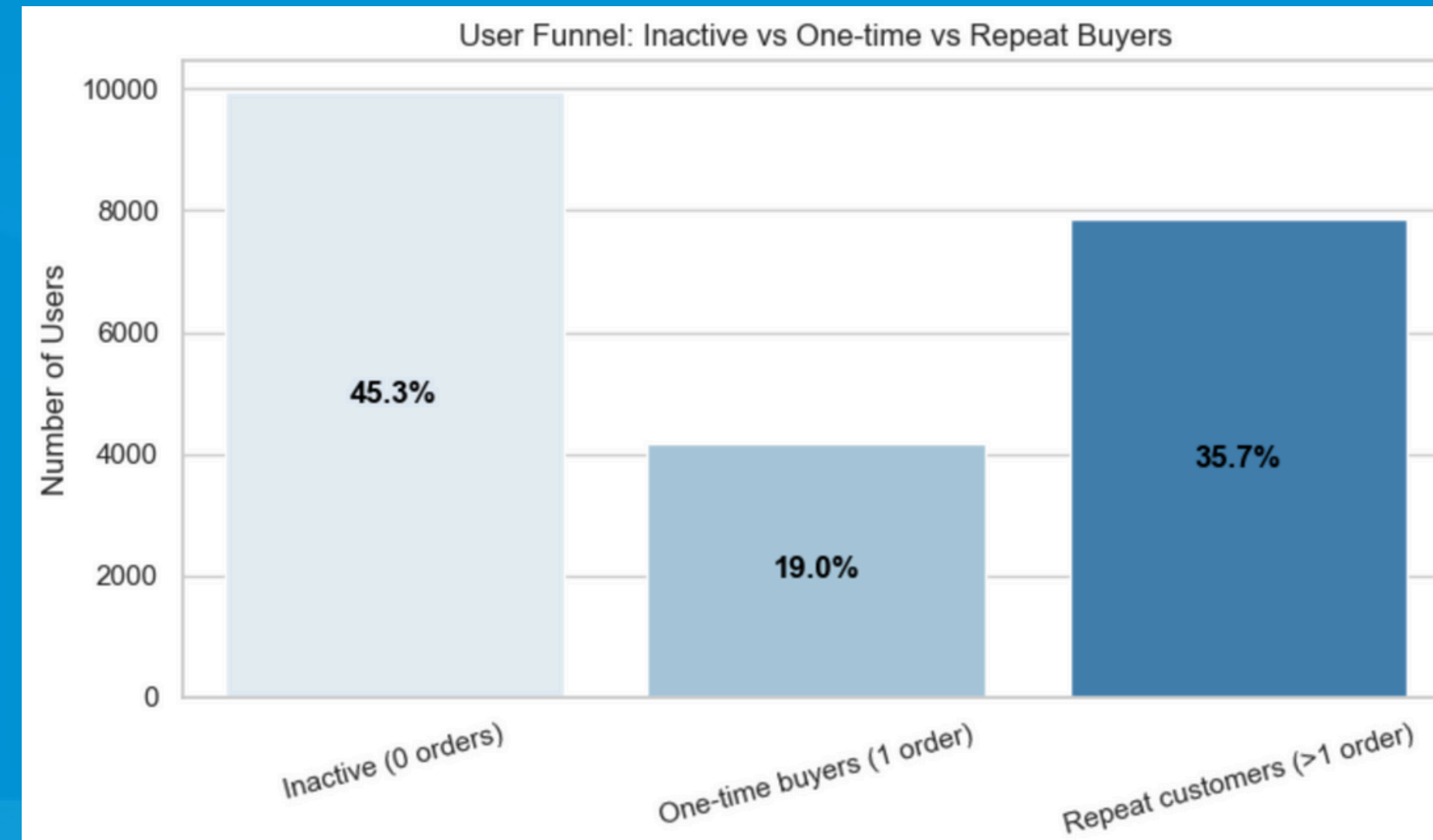   Identifies premium segments.

Insight

1. Most Users Drop Off After One Order

- 45% of users never placed an order.
- 19% made only one order.
- Only 36% became repeat buyers.

Implication:

The biggest growth opportunity lies in converting one-time buyers.

User Funnel: Inactive vs One-time vs Repeat Buyers

Insight

2. Payment Method Validity & Activation

- Users with valid payment methods have 87% more likely to get converted and order more than once.

- 45% of the inactive users mostly donot have valid payment methods.
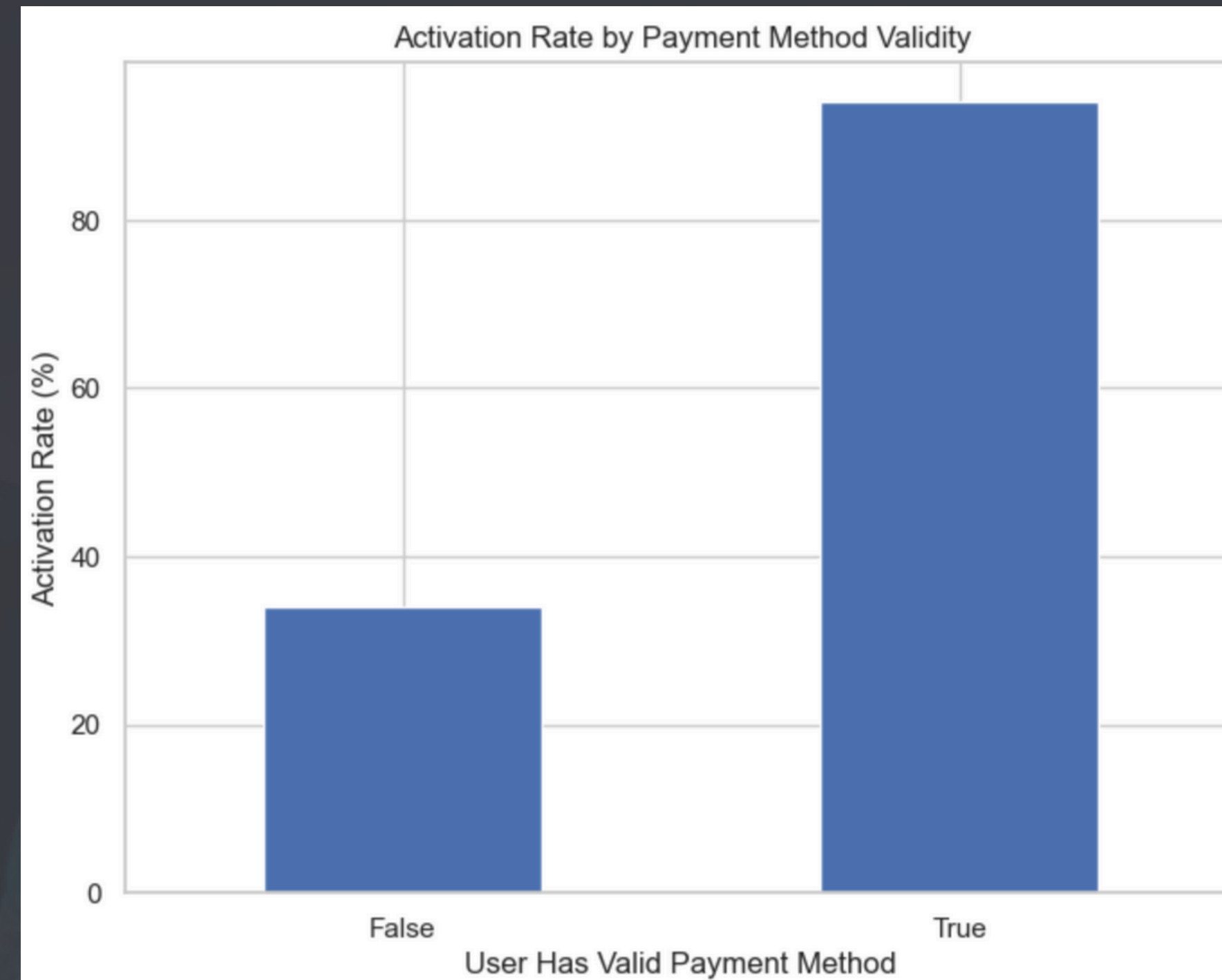
Recommendation:
Improve payment method onboarding and troubleshooting to lift activation rate.

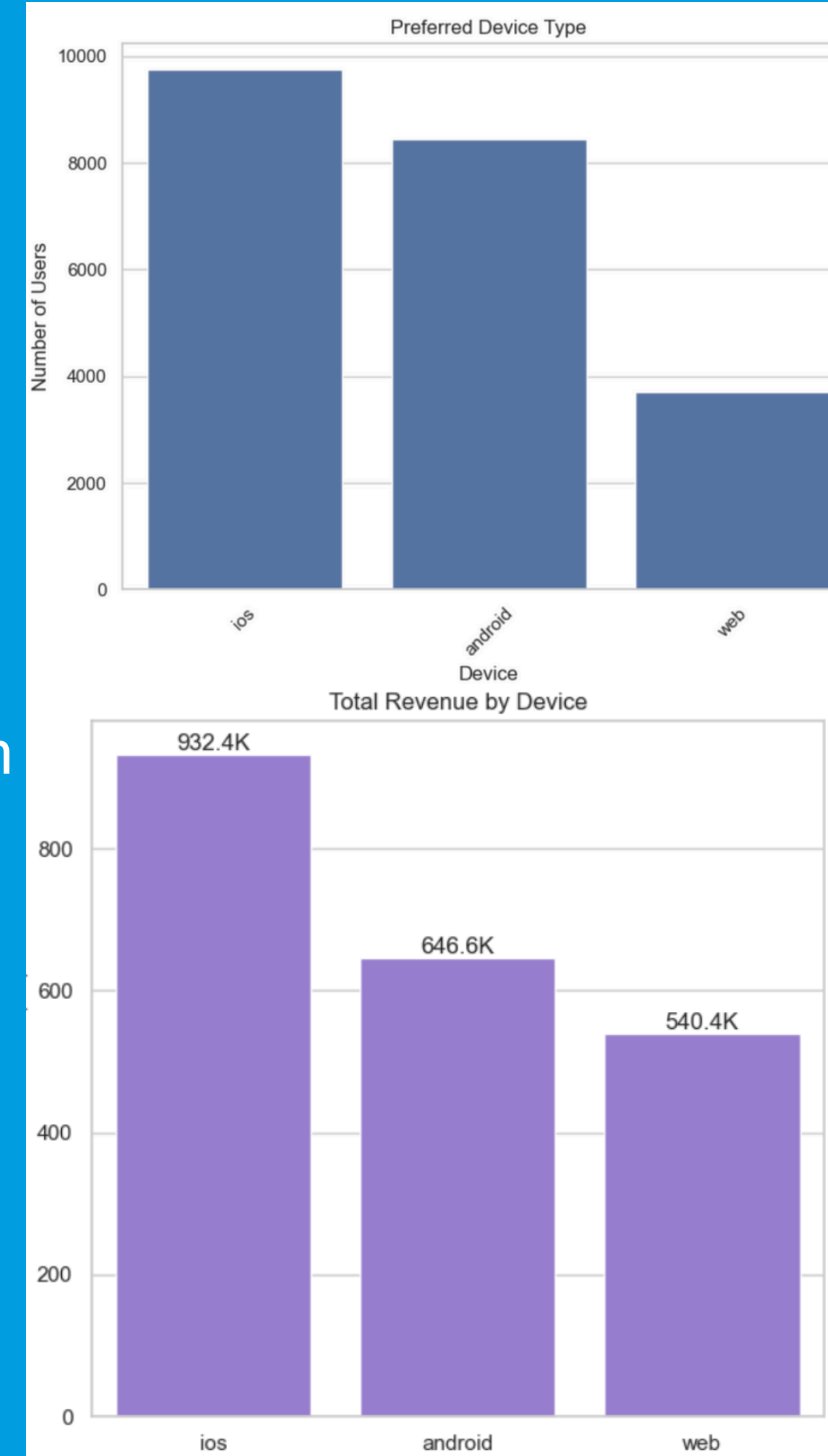Activation Rate by Payment Method Validity

Insight

3. High User Base by Device

- iOS Drives the Highest Total Revenue of €932.4K.
- iOS has the largest user base (~9,700).
- Scale of users is high despite low average spend than Web users.

Action:

We should consider to invest in user acquisition and retention on iOS, as it offers volume-driven revenue growth.
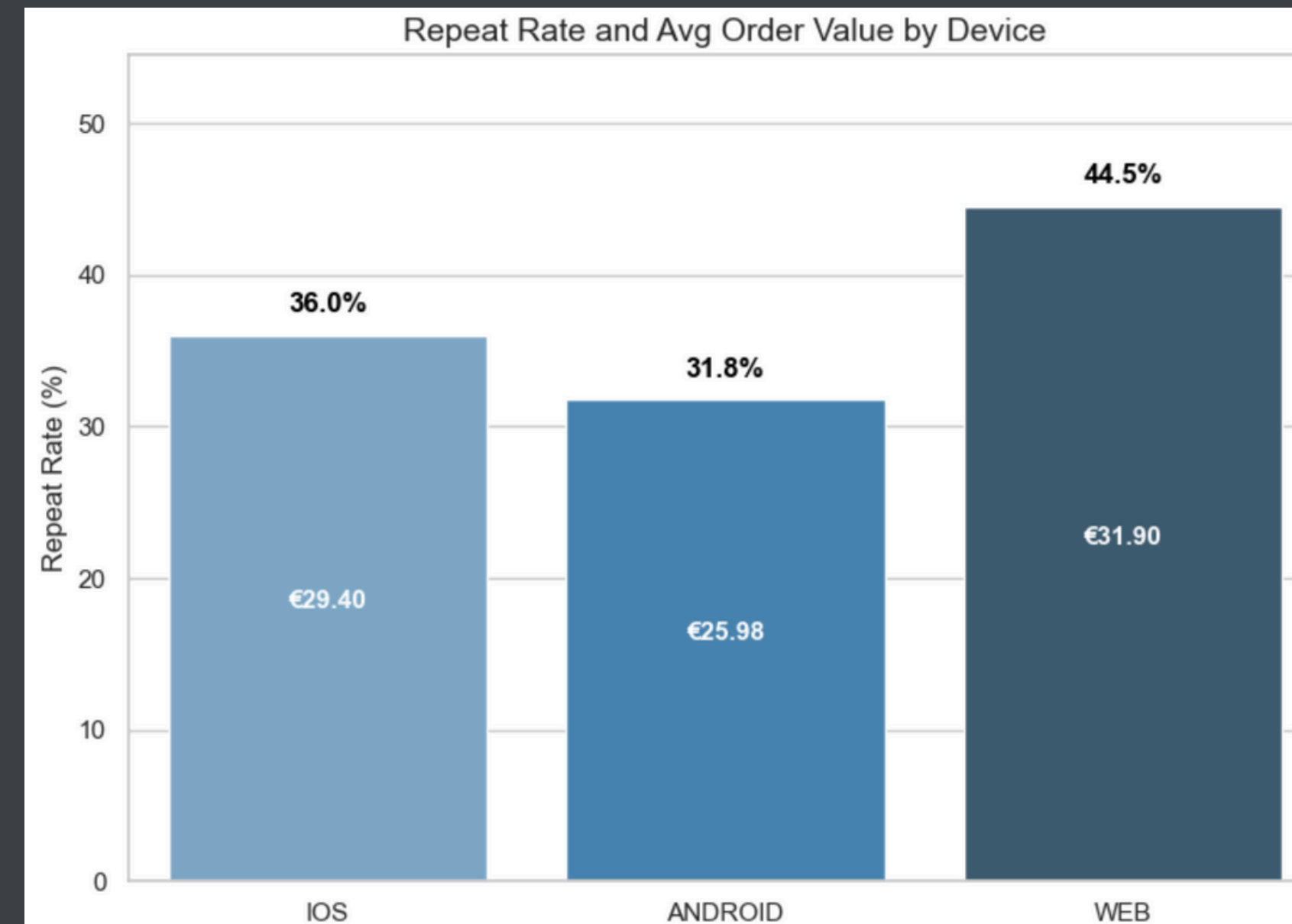
Insight

4. Web Users Are the Most Valuable per Capita

Device	Average Order Value	Order Repeat Rate
iOS	€36	36%
Android	€26	32%
Web	€32	44.5%

- Web users are more valuable — higher buying frequency and order value.

Action:
Segment campaigns by device type.

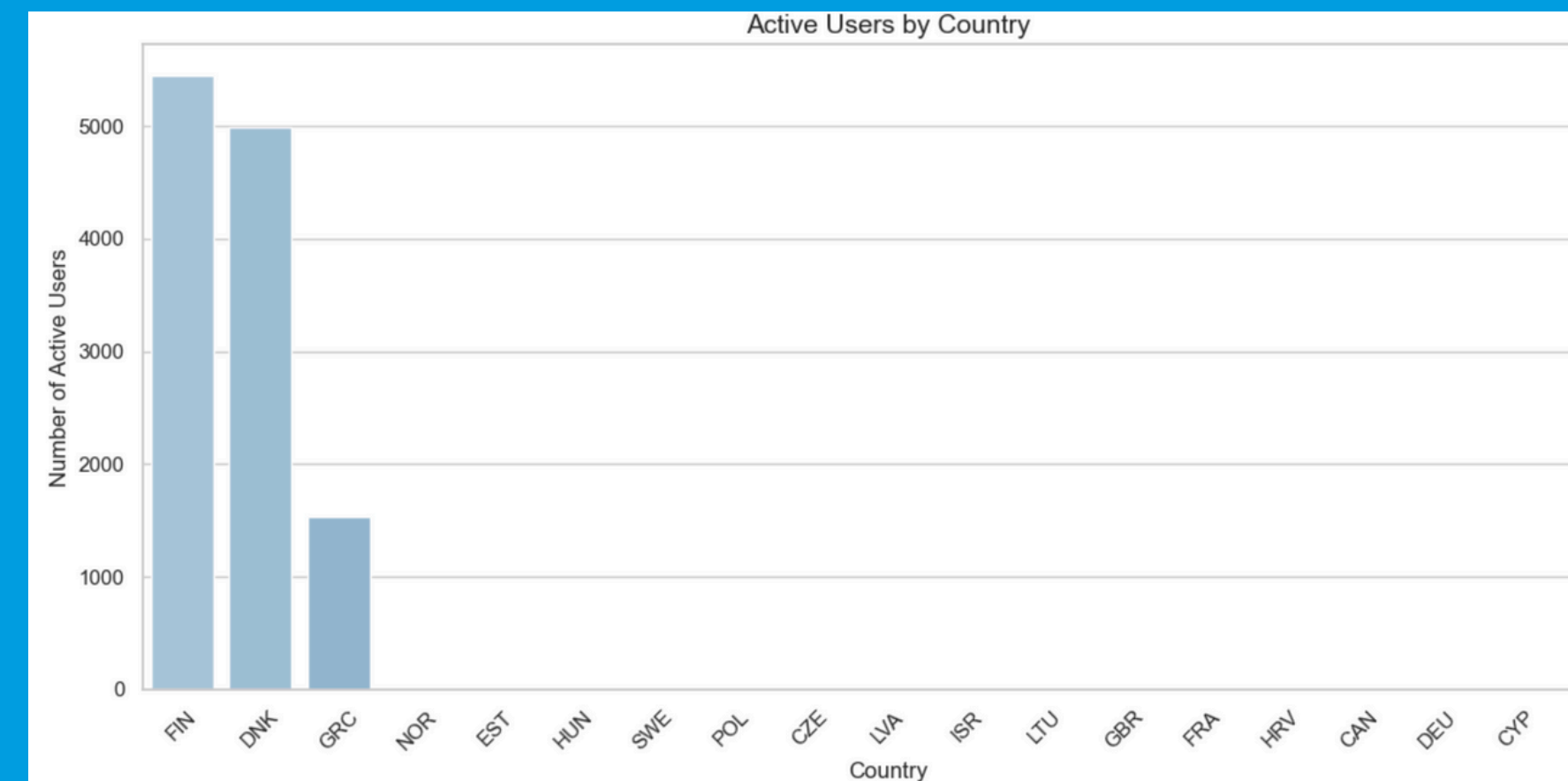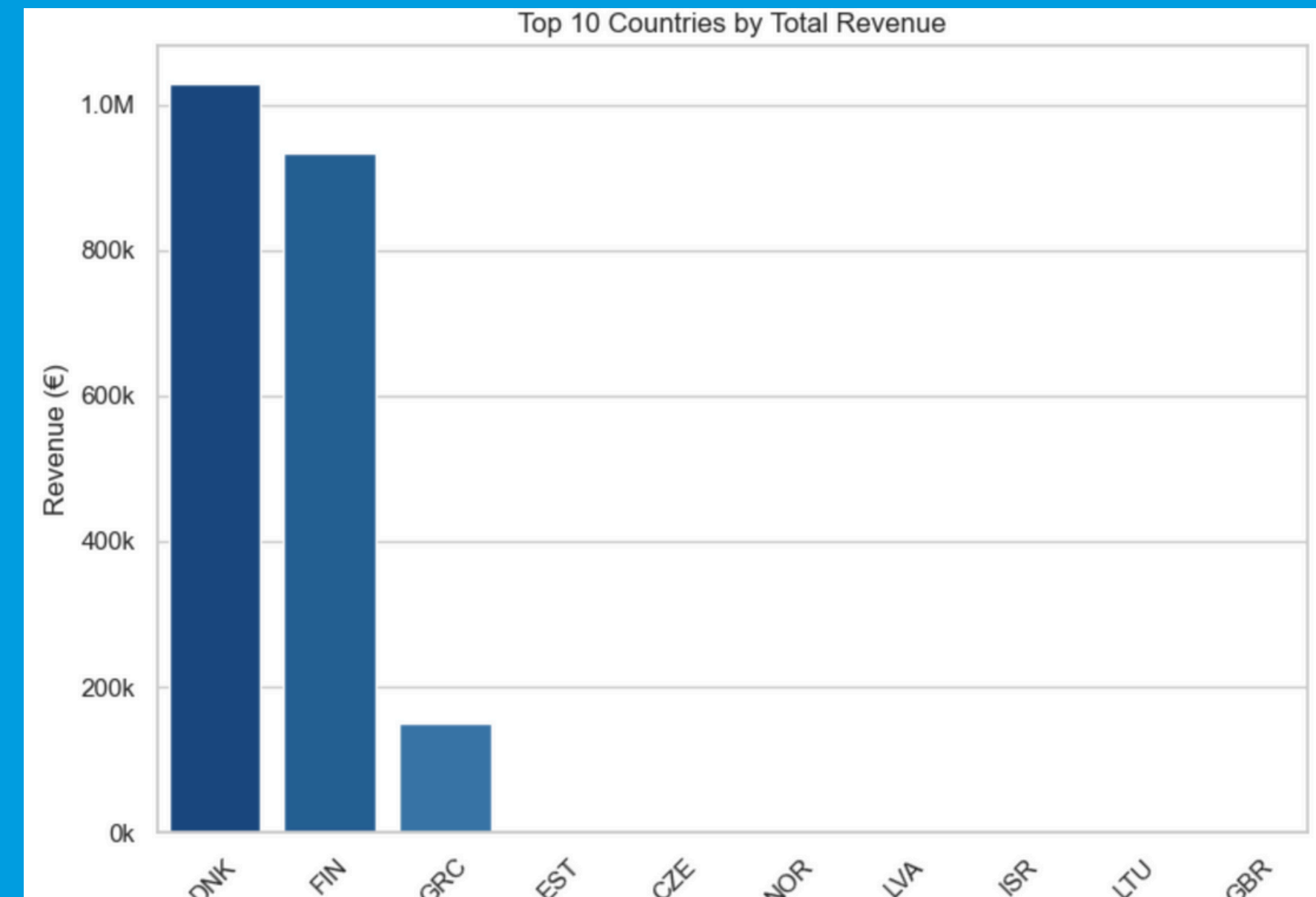Repeat Rate and Avg Order Value by Device

Insight

5. Country Performance

- Denmark has the Highest Revenue(€1M) followed by Finland.
- Estonia, Czech, Latvia are the Underperforming segments.

Action:

Localize onboarding & promos by country. Consider scaling marketing in Underperforming segments.
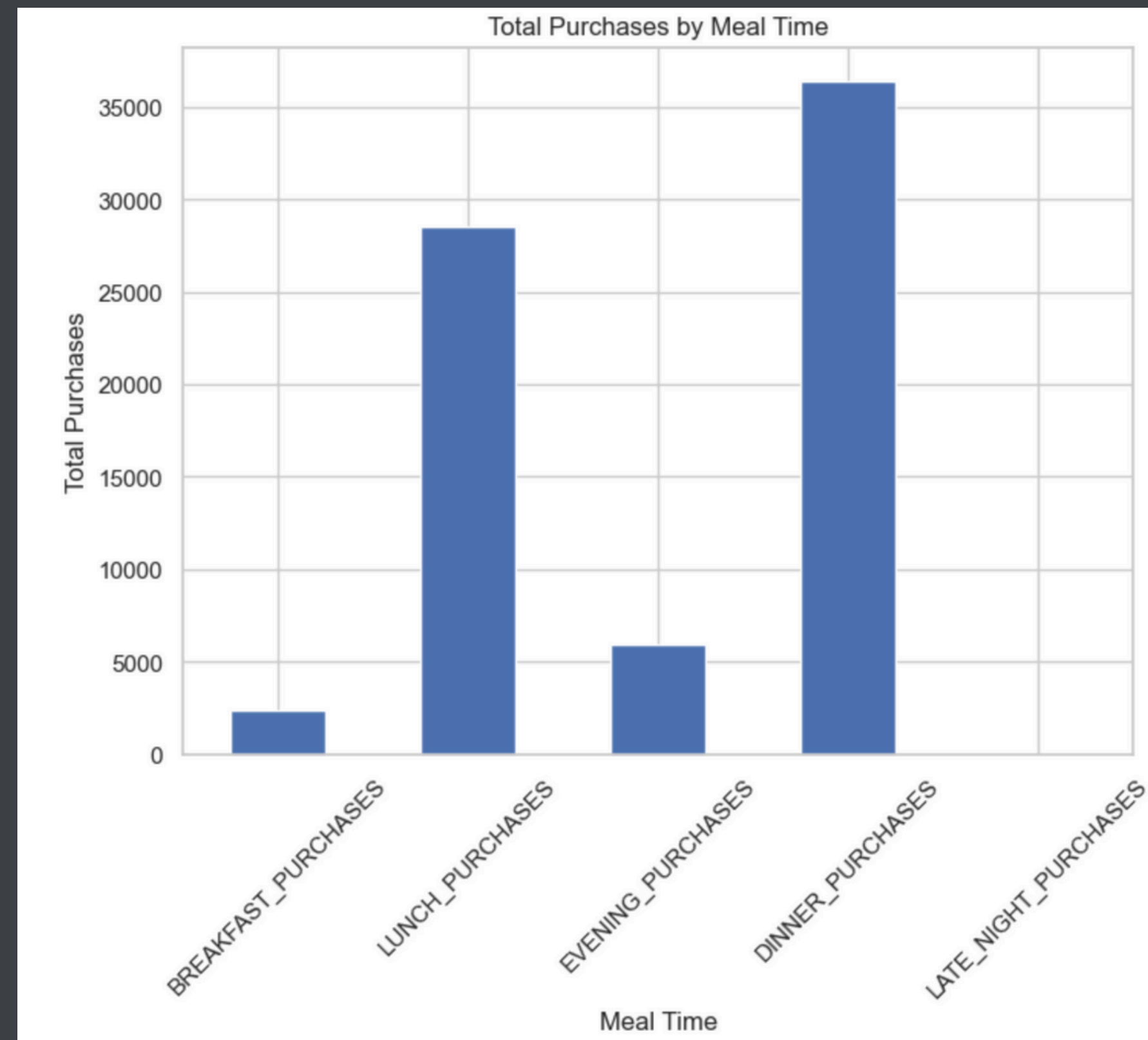
Insight

6. Peak Order Times

- Lunch and Dinner are likely the highest-volume meal periods with total purchase numbers over 35k.

- Breakfast and Late-Night purchases appear significantly lower.

Action:

Bundle offers-"Meal Deals" to increase average order value.
Offer discounts and promotions during slower periods to boost demand.

Total Purchases by Meal Time

Current Performance

Metric	Value
1.Total Completed Order	73,541
2. Average Order per active user	6
3. Average Revenue per Active User (ARPAU)	€176.21
4. Delivery vs Takeaway Share	Delivery: 93.91% Takeaway: 6.09%
5. Retention Rate	65.26%
6. Churn Rate Estimate	60.79%

Growth Strategy for different Segments

User Type	Order Times	Growth Strategy
Inactive Users	Never ordered	Push notifications, coupons
One-time Buyers	Ordered once	Reminder offers at day 5–7
Repeat Customers	High LTV	Loyalty, upsell offers

Recommendations

1. **Improve First-Order Conversion**
   - Send app push & email reminders within first 3 days post-registration.
2. **Optimize Payment Flow**
   - Reduce friction in payment method setup.
   - Educate users about payment security.
3. **Cohort-Specific Marketing**
   - Different strategies for web vs. iOS users.
   - Country-specific campaigns
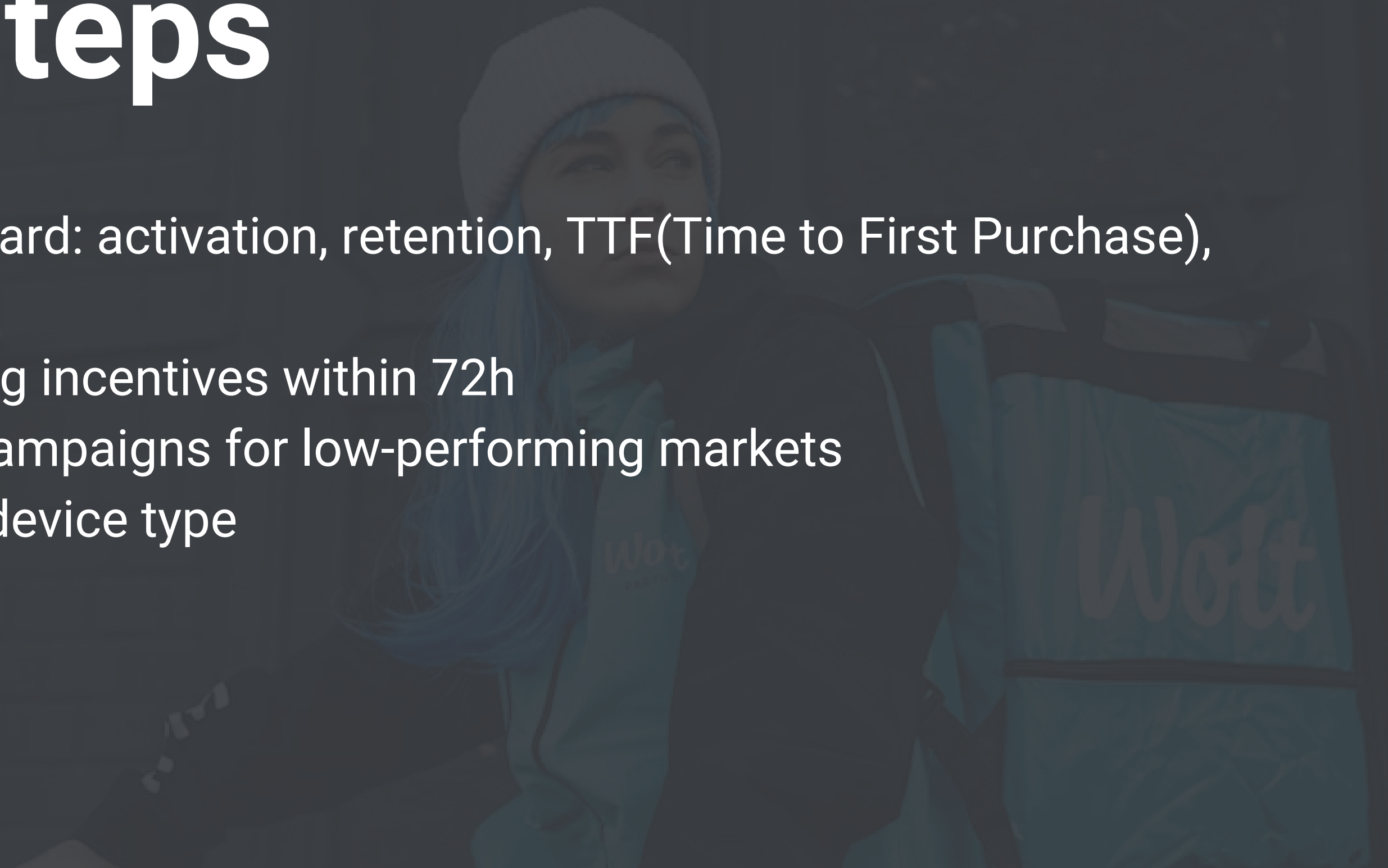4. **Increase Repeat Purchases**
   - Targeted promotions for one-time buyers.
5. **Peak Time Optimization**
   - Time-specific promotions to encourage off-peak ordering.
   - Bundle Orders-Meal Deals during peak periods.

Next Steps

- Launch KPI dashboard: activation, retention, TTF(Time to First Purchase), repeat rate
- A/B test: onboarding incentives within 72h
- Run geo-targeted campaigns for low-performing markets
- Tailor retention by device type

Final Takeaway

The Food Delivery Business's growth relies on activating and retaining users quickly after sign-up.
Through data-driven nudges, segmentation, and geo-targeted engagement, there's clear potential to increase repeat purchases and LTV.